

***NATIONAL WEATHER SERVICE INSTRUCTION 1-601
DECEMBER 21, 2004***

***Administration and Management
External Inquiries/Internal Audits, NWSPD 1-6***

***OFFICE OF THE INSPECTOR GENERAL (OIG) AUDITS,
INSPECTIONS, AND REFERRALS PROCEDURES***

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SUMMARY OF REVISIONS: This directive supersedes National Weather Service Instruction 1-601, dated October 29, 2003. The changes included in this revision are the addition of procedures for handling Office of Inspector General referrals, deletion of Appendix B (Points of Contact - OIG/GAO), and a Web link added to Appendix A (References) for the Points of Contact listing (see paragraphs 3.3, 4.4.d, and Appendix A).

Signed by John D. VanKuren for December 7, 2004
John E. Jones, Jr. Date
Acting Chief Financial Officer/
Chief Administrative Officer

Office of the Inspector General (OIG) Audits, Inspections, and Referrals Procedures

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1. Purpose. To provide guidance to all National Weather Service (NWS) personnel for participating in and responding to OIG audits, inspections, and referrals; to ensure each process is carried out in accordance with NOAA policy and in a manner which supports the needs of the auditors; and to ensure responses are complete, reliable, consistent, and timely and follow-on action is appropriately managed to completion.
2. References. See Appendix A for references.
3. Definitions.
 - 3.1 Audit. A comprehensive evaluation of an operating unit, a program, an activity, or a function within the Department of Commerce (DOC). It may have financial or performance objectives. Audits provide an objective basis for evaluating financial operations, program operations, resource utilization, and the conformance of policies, plans, systems, and procedures to applicable laws and regulations. They are conducted in accordance with the Government Auditing Standards issued by the Comptroller General. Audit reports containing findings and recommendations are public documents and are available upon request. The audits described in these procedures are performance audits.

- 3.2 Inspection. A brief review of an area or aspect of an organization's management and administrative practices. An inspection does not attempt to evaluate the totality of the operating unit or activity as does an audit. Inspections are special reviews the OIG undertakes to provide agency managers with timely information about operational issues. One of the main goals of an inspection is to eliminate waste in Federal Government programs by encouraging effective and efficient operations. By asking questions, identifying problems, and suggesting solutions, the OIG hopes to help managers move quickly to address problems identified during an inspection. Inspections may also highlight effective programs or operations, particularly if they may be useful or adaptable for agency managers or program operations elsewhere.
- 3.3 Referrals. Referrals are allegations received by the OIG of fraud, waste, abuse, or mismanagement in DOC programs and operations. These allegations are received online, by mail, over the telephone, or in person, and may be reported anonymously. Allegations may also come from outside DOC. The OIG makes the determination whether such allegations warrant investigation by the OIG, or whether they should be referred to the appropriate line office. The OIG forwards referrals to NWS CFO3, via NOAA, for resolution and any action NWS deems necessary. All referrals should be regarded as sensitive information and, as such, access should be limited to only those individuals entrusted with responding to the inquiry, and those with a need-to-know basis. The official selected to conduct an inquiry should not be a staff member of the office involved or connected in any way to the issue.
4. Responsibilities and Procedures. Note: When OIG requests are received directly at an NWS office, the recipient will immediately contact the NWS OIG Specialists in the Management and Organization Division (CFO3) of the NWS Office of the Chief Financial Officer/Chief Administrative Officer (CFO/CAO).
- 4.1 NOAA OIG Coordinator.
- a. Oversees the conduct of OIG audits, inspections, and referrals within NOAA.
 - b. Oversees follow-on tracking and reporting within NOAA.
- 4.2 NWS OIG Specialists. NWS OIG Specialists are members of CFO3 (see Appendix A, #5). They are responsible for overseeing the NWS management of all NWS OIG activity. They serve as the central contact with upper management within the NWS and with NOAA; they directly oversee the implementation of the NWS program for managing OIG audits, inspections, and referrals at headquarters and in the regions; they serve as central contact between headquarters and the regions for all OIG matters; they coordinate all responses to OIG audits, inspections, and referrals; and they manage the systems of audit, inspection, and referral follow-up for the NWS. The NWS OIG Specialists responsibilities include:

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- a. Keeping the NOAA OIG Coordinator and NWS higher management apprised of all NWS OIG-related actions.
- b. Overseeing the audit/inspection/referral process at headquarters and in the regions by administering the Point(s) of Contact (POC) program. Notifies POCs of their appointment and their responsibilities.
- c. Serving as the central communication point for all NWS OIG matters. Reviews the annual audit and inspection plans.
- d. Providing updates to the OIG on progress of completion for all Action Plan items.
- e. Receiving initial notification of the audit/inspection/referral from NOAA Audits, Internal Controls, and Information Management.
- f. Ensuring appropriate attendance at the Entrance and Exit Conferences and:
 - (1) Ensures the audit/inspection purpose, scope, and related details are clearly identified and documented.
 - (2) Designates the appropriate POC for the audit/inspection.
- g. Maintaining contact with POC during the course of the audit/inspection/referral.

4.3 NWS Point(s) of Contact. NWS Point(s) of Contact (POC) (see Appendix A) responsibilities are to monitor the conduct of the audit/inspection/referral in their area by:

- a. Appointing the appropriate person(s) responsible for the action to manage the OIG review process for the NWS.
- b. Notifying NWS OIG Specialists of the appointed person(s) responsible for the action.
- c. Keeping the NWS OIG Specialist informed (e.g., provides copies of minutes from exit conference, memos to the record of interviews with audit/inspection team, notes from informal meetings held by OIG to keep management informed of progress).
- d. Providing guidance to the person(s) responsible for the action.
- e. Participating in the Entrance and Exit Conferences, as appropriate.

4.4 NWS Person(s) Responsible for the Action. The duties of the NWS person(s) responsible for the action are:

- a. Serves as technical lead for the audit/inspection/referral.
- b. Participates in the audit/inspection process. During the course of the audit/inspection, the person(s) responsible for the action ensures all contacts with OIG representatives are documented as a memorandum for the record. The POC is kept current on the course of the audit/inspection.
- c. Participates in the Exit Conference. Discusses with the OIG the results of the audit/inspection and the proposed recommendations. In particular, the person(s) responsible for the action, along with the POC, is responsible for evaluating the auditor's conclusions and recommendations.
- d. For referrals, investigates the allegations and prepares a report in MS Word on the findings and recommendations. The written report is submitted via the regional or office director to CFO3, sealed and marked EYES ONLY. An electronic copy should be sent to the NWS OIG Specialist.

4.5 Response to OIG Draft and Final Audit/Inspection Reports. NWS OIG Specialists, working with the POCs and the person(s) responsible for the action, will:

- a. Upon receipt of the OIG Draft Audit/Inspection Reports:
 - (1) Oversee and coordinates review and response process with offices/regions and NWS management.
 - (2) Coordinate with the POC to ensure:
 - (a) Recommendations are thoroughly reviewed.
 - (b) Where agreement with the OIG exists (concurrence), a statement of implementation, either proposed or in process, is included.
 - (c) Where disagreement with the OIG exists (nonconcurrence), substantiating rationale is provided.
 - (d) Where the draft report addresses funds that could be put to a better use, the issue is addressed.
 - (e) Proposed responses represent NWS/NOAA positions. Coordinate NWS preliminary conference call before creating action plan.

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- (f) Responses to OIG draft recommendations follow prescribed format (see Appendix A, #2 and #4).
 - (g) Written response is submitted in a timely manner and:
 - (i) Provides deadline dates to the POC.
 - (ii) Prepares memorandum and package for signature by the Assistant Administrator for Weather Services.
 - (iii) Submits response to NOAA CFO/CAO.
- b. Upon receipt of the OIG Final Audit/Inspection Report:
 - (1) Ensure a NOAA-coordinated response to the report is developed.
 - (a) Coordinates/participates in conference call scheduled by Audits, Internal Controls, and Information Management staff, requesting input/participation of POC and the person responsible for the action, as appropriate.
 - (b) Ensure Action Plan responds adequately to the OIG Final Report (see Appendix A, #3) and:
 - (i) Specifies concurrence or nonconcurrence with each recommendation and, if applicable, addresses funds to be put to better use.
 - (ii) Ensures specific plan for each action and provides a target completion date.
 - (iii) Describes action taken and date of completion if recommendation was carried out.
 - (iv) Provides specific rationale for nonconcurrence with recommendations.
 - (2) Submits response & Action Plan to NOAA CFO/CAO
 - (3) Prepares memorandum and package for signature by the NWS CFO/CAO.
- c. Follow up to ensure OIG accepts Action Plan.

- d. Manage closure of Action Plan items:
- (1) Develop and maintain a tracking system for Action Plan items.
 - (2) Direct POCs on format and frequency for submission of status reports.
 - (3) Coordinate with POCs to track closure/progress toward closure for all Action Plan items.
 - (4) Maintain, in CFO3, official files of documentation to substantiate closure of all action items.
 - (5) Report progress to NOAA OIG Coordinator for report to Congress.

APPENDIX A

REFERENCES

1. Department of Commerce, Department Administrative Order (DAO) 213-2, Inspector General Inspections
<http://www.osec.doc.gov/bmi/daos/213-2.htm>
2. Department of Commerce, Department Administrative Order (DAO) 213-3, Inspector General Auditing
<http://www.osec.doc.gov/bmi/daos/213-3.htm>
3. Department of Commerce, Department Administrative Order (DAO) 213-5, Audit Resolution and Follow-Up
<http://www.osec.doc.gov/omo/daos/213-5.htm>
4. Memorandum to IG/GAO Coordinators, from Barbara Martin (NOAA Audits and Internal Controls Staff), dated September 20, 1996, subject: GAO and OIG Draft/Final Reports
5. NWS Points of Contact - OIG/GAO/FOIA
http://www.nws.noaa.gov/cfo/management_organization/doc/poclist_oig_gao_foia.pdf